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Economy Posts Small Advances in April

The Pennsylvania economy was little changed in April from a month earlier, but the changes that did occur were mostly for the better.

Both the composite indexes of leading and coincidental indicators for Pennsylvania rose only 0.2 percent in April, after falling 0.3 percent in March. The leading index, which typically reaches peaks and troughs in the business cycle before the coincidental index, has been moving pretty much in unison with the latter index in this recovery.

These measures of the general direction of the state's economy rose steeply in the first half of last year, more moderately in the second half of the year, and even more slowly and jaggedly so far this year.

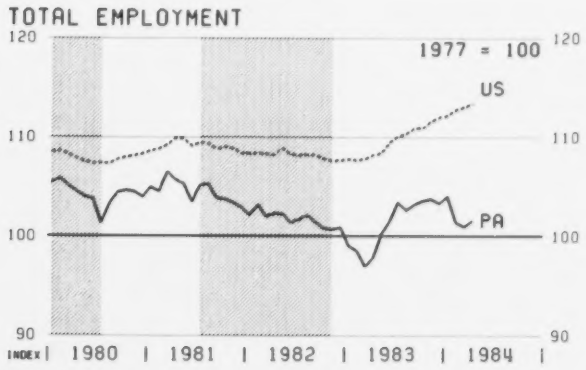
Individual indicators show some definite improvement in the economy in April. The measure of total employment from the survey of state residents rose a seasonally adjusted 0.6 percent. Furthermore, indicators suggest increased activity in the state's factories, mines, and building industries.

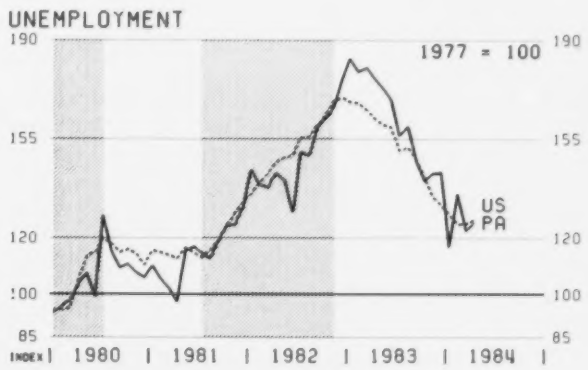
Nonagricultural payroll employment rose by 52,900 workers in April. Gains were widespread, with employment in every major industry group showing an increase from a month earlier.

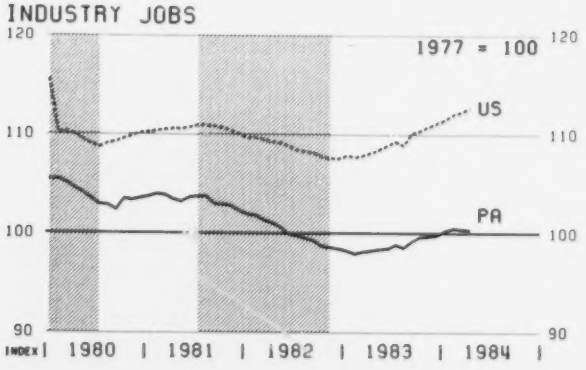
However, the overall 1.2 percent increase was no more than the usual seasonal rise. More than seasonal employment increases in construction, public utilities, and mining industries were offset by less than seasonal gains in manufacturing, transportation, and wholesale and retail trade industries. Job levels in the finance, insurance, and real estate industry group and in the miscellaneous service group were unchanged after seasonal adjustment.

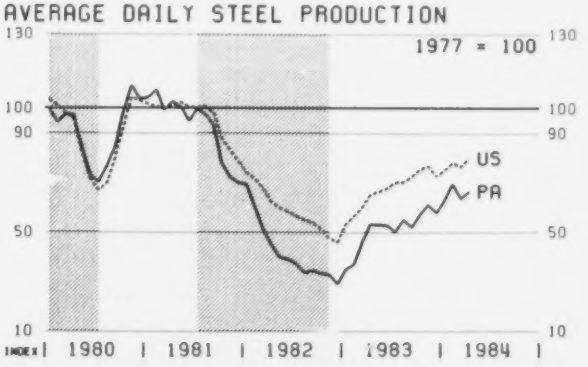
April's increase in the seasonally adjusted level of total employment from the resident survey follows two months of decline during which 44 percent of the gains made since the recession low in March 1983 were again lost. In April, only a small fraction of these jobs were regained.

The number of Pennsylvanians looking for work fell but not as much as is typical for April in recent years. Therefore, the seasonally adjusted number of jobless









PENNSYLVANIA BUSINESS SURVEY

College of Business Administration The Pennsylvania State University **June 1984**

residents rose 2.1 percent from March's level.

The percentage of persons in the civilian labor force that were without jobs rose 0.3 of a percentage point to 9.2 percent but remained a full 4 percentage points below the recession high in January and March of 1983.

The seasonally adjusted level of new claims for unemployment compensation rose 3.8 percent to 124,558 claims. However, April's level was only 58 percent of the level 19 months ago, when the number of new claims began a steep decline.

Activity in Pennsylvania's factories continued to pick up at a modest pace in April. The seasonally adjusted average length of the factory workweek rose back up to February's level. The index for this measure was at its highest level recorded in the more than 12 years that the data have been kept.

The increase in total hours worked brought factory payrolls up 1.3 percent after adjusting for inflation and regular seasonal variation. Adjusted payrolls were up 16.3 percent from the recession low in February 1983 but remained 25.8 percent below the average level prevailing in 1979, before the two most recent recessions.

Steel production in the state rose a seasonally adjusted 4.2 percent in April from a month earlier and was 24.5 percent higher than the seasonally adjusted level a year ago. However, production remained just slightly more than 60 percent of the average monthly level in 1979. Furthermore, the 130,200 workers employed in the state's steel mills in April represent less than 64 percent of the average 204,100 steel workers employed in Pennsylvania that year.

Nationally, steel production increased a slightly higher 4.5 percent in April, bringing the percentage produced in Pennsylvania down to 17.3 percent from 17.8 percent in March.

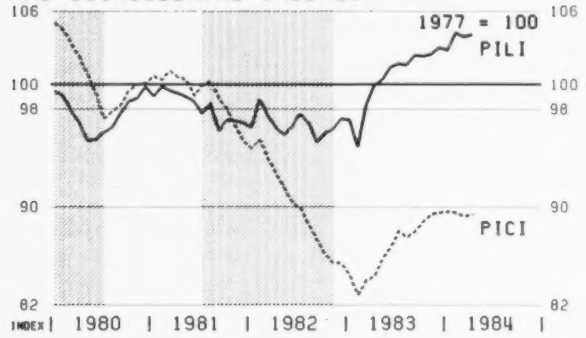
The amount of anthracite coal produced in the state fell in April, but the drop was short of the usual

Economic Activity in Pennsylvania	1984 Mar.	1984 Apr.	1983 Apr.	Seasonally Adjusted Indexes (1977 = 100) 1984 Mar.	1984 Apr.	1983 Apr.
Pennsylvania Industries						
All nonagricultural industries						
No. of wage and salaried jobs (thous.)[1]	4,543.*	4,596.	4,497.	100.6*	100.6	98.4
Nonmanufacturing						
No. of wage and salaried jobs (thous.)	3,418.*	3,466.	3,411.	107.5*	107.5	105.8
Manufacturing						
No. of wage and salaried jobs (thous.)	1,118.*	1,123.	1,081.	84.0*	83.9	80.7
Ave. wkly. hrs. worked by prod. workers	40.2*	40.3	38.9	101.4*	102.5	98.9
Total wkly. person-hours worked (mils.)	31.0*	31.3	28.2	81.2	82.1	74.5
Total wkly. payroll (mil. dols.)	287.1*	291.3	250.9	128.7*	130.8	112.6
Steel production (thous. tons)	1,619.	1,557.	1,249.	64.	66.	53.
Industrial electric power sales (mil. kwh)	3,771.	3,688.	3,276.	100.	99.	90.
Mining						
Anthracite coal (thous. net tons)	409.	358.	269.	73.	79.	58.
Bituminous coal (thous. net tons)	8,189.	n.a.	5,627.†	109.	n.a.	74.†
Construction contracts awarded (mil. dols.)						
Total	461.3	558.9	401.6*	134.	158.	113.*
Residential building	210.4	210.6	202.5*	169.	119.	122.*
Other building	150.7	154.1	135.7*	106.	141.	124.*
Nonbuilding (utilities and public works)	100.3	194.2	63.4*	109.	261.	79.*
Employment of Pennsylvania Residents						
Employed, no. of persons (thous.)	4,772.	4,829.	4,649.	100.9	101.5	97.8
Unemployed						
No. of persons (thous.)	506.	488.	693.	122.5	125.0	176.3
Rate (percentage of labor force)	9.6	9.2	13.0			
Rate, seasonally adjusted	8.9	9.2	12.9			
Civilian labor force, no. of persons (thous.)	5,278.	5,317.	5,342.	102.6	103.3	103.8
Initial claims for unemployment benefits	100,483.	117,950.	162,547.	83.8	87.0	122.6

Consumer Prices, all items	Urban Indexes (1967 = 100) 1984 Mar.	1984 Apr.	1983 Apr.	Percentage Change Month Ago	Year Ago
U.S. city average	307.3	308.8	295.5	+0.5	+4.5
Philadelphia	296.7	298.2	283.5	+0.5	+5.2
Pittsburgh	n.a.	318.6	305.2	n.a.	+4.4
Northeast PA	293.0	n.a.	278.9†	n.a.	+5.1

NOTES: Data on employment have been revised to first quarter 1983 benchmarks.
[1] Total includes workers on strike. * = figure revised † = figure for Mar. 1983 n.a. = data not available
SOURCES AND DEFINITIONS OF DATA ARE AVAILABLE ON REQUEST.

PENNSYLVANIA COMPOSITE LEADING AND COINCIDENTAL INDEXES



seasonal decline. Thus, the seasonally adjusted level rose. The 8.7 percent increase brought the measure to a level 38.9 percent higher than the recession low in February 1983.

The amount of bituminous coal mined in Pennsylvania has been increasing at an increasing rate since December. In March, the latest month for which data are available on this measure, the seasonally adjusted level of bituminous coal mined in the state soared 20.7 percent, bringing it to almost 50 percent above the monthly amount mined on average last year.

The value of construction contracts awarded picked up in April from a month ago. The rise came from increases in the value of nonresidential building contracts and nonbuilding contracts.

April is typically a month with one of the highest values of awards for residential buildings. However, this April the value of these awards remained at the level of a month earlier. Therefore, the seasonally adjusted index for this measure declined substantially.

The cumulative total value of awards for the first four months of the year was greater than the corresponding value for the first four months of last year in all the major structure classes. The value of residential building awards rose 25.4 percent from last year, the value of nonresidential building awards rose 48.1 percent, and the value of nonbuilding awards doubled.

The greatest increases in housing and nonbuilding awards occurred in the western half of the state while the greatest rise in commercial building awards was in the eastern half.

The slow, painful road of the current recovery was evident in industrial electric power sales in April. The seasonally adjusted sales of electricity to industrial users in the state fell back a slight 1.7 percent that month. This measure, which has risen 18.3 percent from the low in December 1982, remained almost 8 percent below the average monthly level in 1979.

The consumer price index for Philadelphia rose 0.5 percent in April from a month earlier and 5.2 percent from the same month a year earlier. The over-the-year increase was the highest in the area since June 1982 but remained moderate. The index in Pittsburgh rose a smaller 4.4 percent over the year.

— Norma I. Gavin

Personal Income Growth Remains Moderate

Varies Within the State

Total personal income in Pennsylvania rose 5.4 percent in 1983 from the 1982 level. This increase was smaller than the national average increase of 6.2 percent but larger than the increase in consumer prices.

Prices, as measured by the implicit price deflator for personal consumption expenditures, rose 3.9 percent last year.

Personal income is current income received by persons from all sources, including transfer payments from government and business but excluding transfer payments from other sources.

Contributing to the increase in personal income were large payroll gains in construction, private service-type industries, and state and local government. The smallest nonfarm payroll increases occurred in transportation, public utilities, and the federal government.

The 1983 increase in total personal income is slightly higher than the 5 percent increase in 1982, when the state experienced its smallest rise in this measure since 1971.

However, income growth is not evenly distributed throughout the state. This is evident from 1982 income figures, the most recent data available for sub-state regions.

In 1982, total personal income rose 5.2 percent in the state's metropolitan counties and a smaller 3.8 percent in the nonmetropolitan counties. Among the metropolitan areas, Sharon with a 1.6 percent decline and Johnstown with a 2.1 percent increase were on the low end of the spectrum while Philadelphia and State College with 6.6 percent and 6.7 percent increases, respectively, were on the high end.

Total and Per Capita Personal Income, 1983

	1983	Percentage Change 1982-83
United States		
Total personal income (mil. dols.)	2,731,791	6.2
Per capita income	11,675	5.2
Pennsylvania		
Total personal income (mil. dols.)	136,912	5.4
Per capita income	11,510	5.3

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, April 1984

Total and Per Capita Personal Income by County Groupings, 1981-1982

	Total Personal Income			Per Capita Income			
	Millions of Dollars		Percentage Change	Dollars		Percentage of National Average	Rank in
	1981	1982	1981-82	1981	1982	1982	1982*
United States	2,426,901	2,571,517	6.0	10,582	11,100	100	—
Sum of metropolitan counties	1,959,973	2,084,267	6.3	11,239	11,829	107	—
Sum of nonmetropolitan counties	466,928	487,250	4.4	8,496	8,785	79	—
Pennsylvania	123,756	129,956	5.0	10,425	10,934	99	—
Sum of metropolitan counties	108,030	113,626	5.2	10,759	11,305	102	—
Sum of nonmetropolitan counties	15,726	16,329	3.8	8,593	8,900	80	—
Allentown-Bethlehem	6,955	7,304	5.0	10,871	11,377	102	90
Altoona	1,131	1,173	3.7	8,335	8,636	78	280
Beaver County	2,101	2,003	−4.7	10,395	9,891	89	210
Erie	2,698	2,825	4.7	9,639	10,046	91	201
Harrisburg-Lebanon-Carlisle	5,961	6,333	6.2	10,597	11,231	101	100
Johnstown	2,329	2,377	2.1	8,857	9,112	82	262
Lancaster	3,813	4,018	5.4	10,378	10,803	97	135
Philadelphia	53,105	56,636	6.6	11,228	11,946	108	59
Pittsburgh	24,872	25,878	4.0	11,281	11,762	106	66
Reading	3,447	3,647	5.8	10,974	11,589	104	79
Scranton-Wilkes-Barre	6,511	6,892	5.9	8,945	9,476	85	240
Sharon	1,221	1,202	−1.6	9,558	9,426	85	243
State College	886	945	6.7	7,752	8,311	75	294
Williamsport	1,056	1,103	4.5	8,990	9,399	85	245
York	3,822	4,009	4.9	9,927	10,352	93	180

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, April 1984.
* Ranking is among 314 Metropolitan Statistical Areas, Primary Metropolitan Statistical Areas and New England County Metropolitan Areas, as defined by the Office of Management and the Budget, June 30, 1983.

Personal income in Pittsburgh rose a moderate 4 percent in 1982. But neighboring Beaver County had a 4.7 percent decline — the poorest showing in this measure among the 333 metropolitan areas in the nation.

The declines in Sharon and Beaver County and the slower growth in Johnstown are attributable to drops in income from primary metals manufacturing industries.

Per capita income in the state in 1983 was $11,510. This represents a 5.3 percent increase from the 1982 level and was just 1 percent below the national average.

In the state's metropolitan areas in 1982, per capita income varied from a low of $8,311 in State College to a high of $11,946 in Philadelphia. Per capita income in eight of the state's 14 metropolitan areas was below the median income of $10,565 in the nation's metropolitan areas.

— Norma I. Gavin

PENNSYLVANIA BUSINESS SURVEY

June 1984 Vol. 25, No. 6

Published monthly by the Center for Research of the College of Business Administration, 103 Business Administration Bldg. II, The Pennsylvania State University, University Park, PA 16802. Subscription rate: $5.00 a year. (ISSN 0031-4382)

Eugene J. Kelley, Dean of the College
Paul H. Rigby, Assistant Dean and Director of the Center for Research
Rodney A. Erickson, Director of the Pennsylvania Economic Analysis Program
Norma I. Gavin, Editor
Doris Bickle, Staff Assistant
Amy H. Bohm, Subscription Coordinator
Valeria J. Martin, Office Manager
Judy Sartore, Technical Assistant
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PENNSYLVANIA BUSINESS SURVEY
Center for Research of the
College of Business Administration
The Pennsylvania State University
University Park, Pennsylvania 16802

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018-01-03332
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U.Ed. 84-834